ROSEWOOD

welcome home

Financial Report for the year ended 30 June 2025

ROSEWOOD CARE GROUP (INC)

ABN 47 687 603 507 NAPS ID: 742

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Board Report

The Board members of Rosewood Care Group (Inc), trading as Rosewood present their report for the association for the year ended 30 June 2025, as approved at the board meeting held on 8 October 2025.

Review of Operations

Care funding increased significantly from 1 October 2024, with higher AN-ACC to fund an increase in the care minutes mandate and aged care worker pay rises. Whilst this funding adjustment increased revenue from operations by 1.49%, the associated expenditure for employee benefits increased by 7.46%.

Rosewood's operation for the financial year results in a surplus of $1,241,945 (2024: $1,406,462), before depreciation and finance charges.

Revaluation of Residential Aged Care Buildings

During the financial year the Board determined that it was necessary to improve the relevance, reliability, and transparency of Rosewood's financial reporting. This approach is consistent with guidance on voluntary accounting policy changes under AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors.

The residential aged care buildings owned and operated by Rosewood have historically been accounted for under the cost model, in accordance with AASB 116 paragraph 30. Building Assets have previously been recorded at historical cost less accumulated depreciation and impairment losses.

Over time, the carrying amounts under this model have diverged significantly from the current economic value of the buildings due to:

- Substantial increases in construction and replacement costs;
- Aging infrastructure not accurately reflected in historical cost figures; and
- The specialized nature of aged care buildings, which limits the relevance of market-based valuation approaches.

In this context, the cost model no longer provides users of Rosewood's financial statements with decision-useful information. This change is a voluntary change in accounting policy under AASB 108 and has been assessed against the criteria in that standard.

Per AASB 108 paragraph 14, a voluntary change in accounting policy is permitted if it results in financial statements that provide more relevant and reliable information about the effects of transactions, other events, or conditions.

Under this accounting standard, this change was deemed relevant as:

- The revaluation model better reflects the current economic value and service potential of residential aged care buildings, which are essential to Rosewood's operations and long-term sustainability.
- It provides stakeholders (including funders, regulators, and lenders) with more accurate information about the asset base, aiding capital planning, grant applications, and financing decisions.

Principal activities

During the year ended 30 June 2025, Rosewood was involved in the provision of a variety of services including:

- Residential aged care
- Cleaver Heritage Café

Likely developments and expected results of operations

The short-term outlook for the provision of aged care services in Australia remains challenging and uncertain as the Commonwealth Government rolls out its aged care policy and funding reform agenda, with the introduction of the New Aged Care Act, deferred and becoming effective on 1 November 2025.

Whilst the current financial results are pleasing, there is still substantial reform required to ensure Rosewood is able to maintain its upmarket facilities in the condition identified in the "Rosewood Way". The ability to appropriately remunerate staff, attract new staff, retain existing staff and provide suitable career pathways and skill development remains a critical focus area for Rosewood and the broader aged care sector.

Strategic Plan 2025-2028

On the 9 April 2025, the Board developed and approved the strategic plan for Rosewood for the period 2025-2028. Our strategic vision is to grow with purpose, becoming a premium and niche provider of choice within Perth. Our focus is to serve and respond to the unique needs of our community regardless of socio-economic status.

Through focused and intentional effort, we will deliver exceptional outcomes for the senior population that we serve.

Annual Prudential Compliance

During the Financial Year ending 30 June 2025, Rosewood remained compliant with the Financial and Prudential Standards. In addition, all relevant obligations under the approval to charged higher maximum accommodation payments, approved by the Independent Health and Aged Care Pricing Authority, under s52G-4 of the *Aged Care Act 1997* (the Act) and Part 4 of the Principles set out in charging accommodation payments has been complied with.

Indemnification and insurance of board member and officers

Board Members and Officers Liability Insurance is held to cover a board member for certain liabilities arising whilst acting as a board member of the Association. The wording of the policy prohibits disclosure of the nature of these liabilities and the amount of the premium.

Indemnification of auditors

To the extent permitted by law, the Association has agreed to indemnify its auditors, Moore Australia (WA), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Moore Australia (WA) during or since the financial year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by as set out in the *Associations Incorporation Act 2015* (WA) and *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit and is set out on page 7.

Signed in accordance with a resolution of the members of the Board.



John Pirie
Chair, Board of Management



Tracy Harris
Chief Executive Officer

Dated at Perth this 8th day of October 2025.

Governance Statement

Our Vision

Our Vision is to be Western Australia's preferred provider of person-centred and community focused aged care services.

Our Mission

Our Mission is to provide premium care and enhance the quality of life of aging people.

Our Values

INTEGRITY We are guided by our moral and ethical values in all circumstances, always striving to do what is right.

PROFESSIONALISM We pride ourselves on the quality of our services, our competence and professionalism.

RESPECT We treat each individual in our care with the respect and dignity they deserve.

CARE We approach every person in our care with compassion and empathy.

INCLUSION We embrace diversity and individuality; everyone is welcome.

JOY We love helping other and sharing in moments of joy and purse happiness.

INNOVATION We are always thinking outside the box to innovate and improve our services.

The Role of the Board

The Board is responsible for:

- The governance of Rosewood, including overseeing the management and administration of all real and personal property, including, but not limited to, the power to buy, sell, lease or let any real or personal property, plant, equipment, consumable item or other asset to be used, either at the time or in the future, in furtherance of the organisation's Object and for this purpose to lend or borrow, either with or without security, as the Board shall from time to time think fit.
- Appointing, dismissing, setting the duties, and managing the performance of the Chief Executive Officer.
- Ensuring that the organisation's Object is promoted, which may include establishing appropriate vision, mission, values, policies, and corporate objectives for Rosewood.
- Approving business and strategic plans, including budgets.
- Doing all such other things as are incidental or conducive to furthering the organisation's Object and performing these duties.

Board Committees

The Board has established five committees to support the performance of its responsibilities. Each of these five committees are governed by their own terms of reference, they are not a decision-making body of the Board but can make recommendations to the Board.

The Committees are:

1. Finance, Audit, Risk and Governance Committee
2. Clinical Governance Committee, with Infection Prevention and Control and Medication Advisory as sub-committees
3. People, Culture and Engagement Committee
4. Remuneration Committee
5. Strategy, Growth and Business Transformation Committee

The **Finance, Audit, Risk, and Governance Committee** is responsible for overseeing financial management, auditing processes, risk management, and corporate governance within Rosewood. The committee ensures compliance with regulatory requirements, enhances financial accountability, and supports the organisation's strategic goals while maintaining transparency and integrity.

Members of the Finance, Audit, Risk, and Governance Committee are members of the Rosewood Board, a senior finance leader and with financial, risk, or governance expertise and shall include no less than two Board members including the Chair. The Chair of the committee may invite other Rosewood employees or external parties to attend meetings in an ex officio capacity. Attendees who are invited by the committee do not assume membership or participate in any decision-making processes of the committee.

The **Clinical Governance Committee** oversees and upholds the delivery of safe, high-quality resident-centred clinical care at Rosewood. Its purpose is to ensure that clinical practices adhere to the highest standards, are evidence-based, and comply with both regulatory and organisational requirements. Additionally, the Committee provides strategic direction and fosters continuous improvement in clinical care within the aged care setting.

Members of the Clinical Governance Committee are members of the Rosewood Board, and a senior clinical/medical leader and shall include no less than two Board members including the Chair. The Chair of the committee may invite other Rosewood employees or external parties to attend meetings in an ex officio capacity. Attendees who are invited by the committee do not assume membership or participate in any decision-making processes of the committee.

The **People, Culture, and Engagement Committee** is responsible for overseeing human resources, workplace culture, employee engagement, training, and work health and safety. The committee ensures that Rosewood fosters a positive, inclusive, and high-performance culture while aligning with best practices in people management, employee well-being, and work health and safety.

Members of the People, Culture, and Engagement Committee are members of the Rosewood Board, with HR or leadership expertise and shall include no less than two Board members including the Chair. The Chair of the committee may invite other Rosewood employees or external parties to attend meetings in an ex officio capacity. Attendees who are invited by the committee do not assume membership or participate in any decision-making processes of the committee.

The **Remuneration Committee** is responsible for overseeing and recommending remuneration frameworks and policies that support the attraction, retention, motivation, and fair compensation of employees and executives within Rosewood Care Group. The committee ensures remuneration practices are equitable, transparent, and aligned with the organisation's values, performance, and strategic objectives.

Members of the Remuneration Committee are members of the Rosewood Board, with HR or remuneration expertise and shall include no less than two Board members including the Chair. The Chair of the committee may invite other Rosewood employees or external parties to attend meetings in an ex officio capacity. Attendees who are invited by the committee do not assume membership or participate in any decision-making processes of the committee.

The **Strategy, Growth and Business Transformation Committee** is responsible for recommending the strategic direction, fostering sustainable growth, and identifying transformative initiatives for consideration by the Rosewood Care Group Board. The committee ensures alignment with the mission and vision, supports innovation, and monitors the implementation of strategic plans and change management activities within Rosewood Care Group (Inc).

Members of the Strategy, Growth and Business Transformation Committee are members of the Rosewood Board, with strategic or business expertise and transformation or growth experience. Membership shall include no less than three Board members including the Chair, other than the Chair of the Rosewood Board. The Chair of the committee may invite other Rosewood employees or external parties to attend meetings in an ex officio capacity. Attendees who are invited by the committee do not assume membership or participate in any decision-making processes of the committee.

MOORE

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 AND SECTION 80 OF THE ASSOCIATIONS INCORPORATION ACT 2015 (WA) TO THE MEMBERS OF THE BOARD OF ROSEWOOD CARE GROUP INC.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been no contraventions of:

a) the auditor independence requirements as set out in the *Associations Incorporation Act 2015 (WA)* and *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

SHAUN WILLIAMS
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 10th day of October 2025.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF ROSEWOOD CARE GROUP INC.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rosewood Care Group Inc. (the Association) which comprises the statement of financial position as at 30 June 2025, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and the statement by members of the board.

In our opinion, the accompanying financial report of Rosewood Care Group Inc.:

i. gives a true and fair view of the Association's financial position as at 30 June 2025 and of its performance for the year then ended; and

ii. complies with Australian Accounting Standards – Simplified Disclosures and the relevant legislation including the *Aged Care Act 1997, Associations Incorporation Act 2015 (WA)* and Division 60 of the *Australian* Charities and *Not-for-profits Commission Regulations 2022.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the independence requirements of *Section 80 of the Associations Incorporation Act 2015 (WA)* and *Section 60-40 of* the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the Board Members for the Financial Report

The board members are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures, *Aged Care Act 1997, Australian Charities* and *Not-for-profits Commission Act 2012*, *Associations Incorporation Act 2015 (WA)*, and for such internal control as the board members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern of accounting unless the board members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE BOARD OF ROSEWOOD CARE GROUP INC. (CONTINUED)

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Section 60-45(3)(b) of the *Australian Charities and Not-for-profits Commission Act 2012,* in our opinion there is no deficiency, failure or shortcoming in respect of the matters referred to in Section 60-30(3)(b),(c) or (d) of the *Australian Charities and Not-for-profits Commission Act 2012.*

SHAUN WILLIAMS
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 10th day of October 2025.

Statement by Members of the Board

In the opinion of the Board the financial report as set out on pages 11 to 31:

1. Presents a true and fair view of the financial position of Rosewood Care Group (Inc) as at 30 June 2025 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Simplified Disclosures, other mandatory pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-For-Profits Commission Act 2012*.

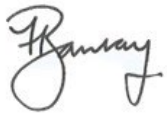
2. At the date of this statement, there are reasonable grounds to believe that Rosewood Care Group (Inc) will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Signed in accordance with a resolution of the members of the Board.



John Pirie
Chair, Board of Management



Fiona Barclay
Chair, Finance, Audit, Risk and Governance Committee

Dated at Perth this 8th day of October 2025.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025	2024
		$	$
Revenue from operations	2	**41,490,449**	40,603,482
Employee benefits expenses		**(33,667,863)**	(31,329,170)
Resident direct expenses	3	**(2,909,496)**	(4,305,286)
Depreciation expense	3	**(2,358,084)**	(2,385,659)
Food and meals		**(1,426,460)**	(1,505,898)
Finance costs	3	**(779,800)**	(919,936)
Occupancy costs		**(892,319)**	(903,824)
Insurance		**(289,647)**	(224,160)
Net (deficit)		**(1,895,939)**	**(1,899,133)**
Other comprehensive income		**5,458,847**	380,000
Total comprehensive income for the year		**3,562,908**	**(1,519,133)**

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 30 June 2025

	Note	2025	2024
		$	$
Current assets			
Cash and cash equivalents	4	**29,916,583**	**18,600,477**
Trade and other receivables	5	**381,012**	**13,917**
Inventory	6	**30,284**	**23,702**
Total current assets		**30,327,879**	**18,638,096**
Non-current assets			
Property, plant & equipment	7	**142,260,505**	**138,859,313**
Total non-current assets		**142,260,505**	**138,859,313**
Total assets		**172,588,384**	**157,497,409**
Current liabilities			
Trade and other payables	8	**1,993,239**	**2,092,731**
Provisions	9	**3,159,389**	**2,852,866**
Borrowings	10	**1,175,862**	**1,181,354**
Refundable accommodation deposits	11	**148,180,147**	**135,528,832**
Total current liabilities		**154,508,637**	**141,655,783**
Non-current liabilities			
Borrowings	10	**11,331,983**	**12,810,686**
Provisions	9	**200,033**	**46,117**
Total non-current liabilities		**11,532,016**	**12,856,803**
Total liabilities		**166,040,653**	**154,512,586**
Net assets		**6,547,731**	**2,984,823**
Equity			
Retained surplus		**(18,540,516)**	**(16,644,577)**
Asset revaluation reserve		**25,088,247**	**19,629,400**
Total equity		**6,547,731**	**2,984,823**

Statement of Changes in Equity

For the year ended 30 June 2025

	Retained Surplus	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2024	**(16,644,577)**	**19,629,400**	**2,984,823**
Comprehensive income			
Net (deficit) for the year	**(1,895,939)**	**-**	**(1,895,939)**
Other comprehensive income for the year	-	**5,458,847**	**5,458,847**
Total comprehensive income for the year attributable to members of the association	**(1,895,939)**	**5,458,847**	**3,562,908**
Balance at 30 June 2025	**(18,540,516)**	**25,088,247**	**6,547,731**
Balance at 1 July 2023	(14,745,444)	19,249,400	4,503,956
Comprehensive income			
Net (deficit) for the year	(1,899,133)	-	(1,899,133)
Other comprehensive income for the year	-	380,000	380,000
Total comprehensive income for the year attributable to members of the association	(1,899,133)	380,000	(1,519,133)
Balance at 30 June 2024	(16,644,577)	19,629,400	2,984,823

The accompanying notes for part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025	2024
		$	$
Cash flows from operating activities			
Receipts from residents and customers		**12,430,190**	10,110,867
Receipts from government subsidies		**28,167,327**	27,117,163
Donations received		**23,474**	18,673
Interest received		**476,582**	29,024
Payments to suppliers and employers		**(41,598,581)**	(39,468,391)
Net cash provided (used in) operating activities		**(501,008)**	(2,192,664)
Cash flows from investing activities			
Fixed asset purchases		**(300,429)**	(375,550)
Proceeds from asset sales		**0**	73,636
Net cash used in investing activities	7	**(300,429)**	(301,914)
Cash flows from financing activities			
Proceeds from refundable accommodation deposits		**50,503,429**	48,129,067
Repayment of refundable accommodation deposits		**(37,185,277)**	(27,055,335)
Loan principal repaid		**(1,200,609)**	(500,254)
Net cash provided by financing activities		**12,117,543**	20,573,478
Net increase in cash and cash equivalents		**11,316,106**	18,078,900
Cash and cash equivalents at the beginning of the financial year		**18,600,477**	521,577
Cash and cash equivalents at the end of the financial year		**29,916,583**	18,600,477

The accompanying notes for part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2025

Note 1: General Information

1.1 Corporate information

Rosewood Care Group (Inc) ("Rosewood") is incorporated under the *Associations Incorporation Act 2*015 and registered with the Australian Not-for-Profit Commission in accordance with the *Australian Not-for-Profit Commission Act 2012*.

Rosewood is domiciled in Western Australia and is a not-for-profit entity primarily providing care and residential accommodation for the aged.

Rosewood's principal place of business is 200 Scarborough Beach Road, Mount Hawthorn, 6016.

1.2 Basis of preparation

The financial report is a Tier 2 general purpose report that has been prepared in accordance with the Australian Accounting Standards – Simplified Disclosure Requirements made by the Australian Accounting Standards Board and the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Associations Incorporation Act 2015*.

This financial report has been prepared on an accruals basis and is based on historical costs as modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

1.3 Going concern basis

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the year ended 30 June 2025, the Association recorded a deficit of $1,895,939 (2024: deficit of $1,899,133), cash outflow from operating activities of $501,008 (2024: cash outflow $2,192,664).

The deficit was primarily due to higher costs associated with mandated care minutes and increased administrative expenses resulting from various reforms in the aged care industry.

The Association holds a Facility Agreement of $4.8 million undrawn as of 30 June 2025.

The Members of the Board have prepared a cash flow forecast, which indicates that the Association will have sufficient cash flows to meet all the commitments and working capital requirements for the 12-month period from the date of signing this financial report. Based on the cash flow forecast and other factors referred above, The Members of the Board are confident that the Association can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

1.4 Comparative information

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

1.5 Key estimates and judgements

All judgments, estimates, and assumptions are deemed reasonable based on the current circumstances known to management. Actual results may differ from these judgments, estimates, and assumptions.

Estimates reflect a reasonable expectation of future events, relying on current trends and economic data from both external sources and within the Association.

Areas involving higher degrees of judgment or complexity, or where assumptions and estimates significantly impact the financial statements, are disclosed in the following notes:

- Note 7: Property, plant and equipment
- Note 9: Provisions

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

1.6 Impact of the application of new Accounting Standards

The adoption of new accounting standards did not have a material impact on the financial report.

1.7 Income Tax

The Association is exempt from income tax under Section 50-5, item 1.1 of the *Income Tax Assessment Act 1997*. The Association is recognised as a Public Benevolent Institution by the Australian Taxation Office.

1.8 Functional and presentation currency

The financial statements are present in Australian dollars, which is the Associations functional and presentation currency.

1.9 Property, Plant and Equipment – Revaluation of Aged Care Facility Buildings

The aged care buildings are measured using the Fair Value Measurement model in accordance with AASB 13.

In the absence of an active market for aged care buildings, fair value has been determined using the cost approach under AASB 13 Fair Value Measurement. This approach reflects the current replacement cost of the asset, adjusted for physical deterioration, functional obsolescence, and economic obsolescence.

The valuation is based on an independent valuation which was conducted by Property Valuation and Advisory (WA) Pty Ltd, a firm of qualified external valuers, as at 10 July 2024, and a subsequent review to ensure compliance with the standard received on the 11 September 2025.

Note 2: Revenue

	2025	2024
	$	$
REVENUE		
Operating activities		
Government subsidy funding	**30,891,452**	27,117,163
Resident and customer's contributions	**9,335,045**	9,329,610
Non-operating activities		
Donations	**23,474**	18,673
Interest received	**476,582**	29,024
Rental income	**31,072**	19,827
Finance income on revaluation of borrowings	**283,586**	2,417,714
Sundry income	**449,238**	1,671,471
	41,490,449	**40,603,482**

2.1 Government funded revenue

The Association is an approved aged care home provider under the *Aged Care Act 1997* and is entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents.

Government funded revenue comprises of basic subsidy amounts calculated in accordance with the Australian National Aged Care Classification (AN-ACC) accommodation supplements, funding for short term 'respite' residents and other Government incomes. Revenue is recognised over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily basis.

Government funding is paid monthly in arrears.

The Association is dependent on the Department of Health and Ageing for the majority of its revenue used to operate the business. At the date of this report, the Members of the Board has no reason to believe the Department will not continue to support the Association.

2.2 Resident revenue

Residents are charged a basic daily fee to contribute to the cost of care and accommodation. This fee is regulated by the Australian Government and usually increases in March and September each year. Residents are invoiced for this fee fortnightly in advance.

In addition to the basic daily fee, residents may incur other charges for care and accommodation services provided by the Association. These charges include means-tested care fees, Daily Accommodation Payments (DAP) or Daily Accommodation Contributions (DAC) revenue, additional services revenue, and other related income. All fees, except DAP and DAC fees, are invoiced fortnightly in advance. DAP and DAC fees are invoiced in arrears.

2.3 Interest income

Interest income is recognised using the effective interest method.

2.4 Sundry income

Sundry income includes grant income, café sales and other sundry income. Grant income is recognised where there is reasonable assurance that the grant will be received, and all attached conditions have been complied with. Café sales and other sundry income is recognised when received.

All revenue is stated net of the amount of goods and services tax (GST).

Note 3: Surplus/(Deficit) from Ordinary Activities

Surplus/(Deficit) from ordinary activities has been determined after:

	2025	2024
	$	$
Other Expenditure		
Medical consumables	**900,441**	852,002
Administration costs	**401,385**	308,075
Board of Management fees	**408,856**	323,331
IT costs	**279,578**	506,562
Legal and consultancy	**219,392**	416,136
Other consumables	**293,643**	573,035
Contract cleaning and laundry	**296,391**	499,004
Remuneration of auditor	**31,877**	38,225
Other expenses	**77,933**	16,450
	2,909,496	3,532,820
Depreciation		
Buildings	**1,452,165**	1,455,563
Plant & equipment	**116,791**	97,421
Motor vehicles	**0**	4,609
Furniture & fittings	**495,813**	494,700
Computer equipment	**293,315**	333,366
	2,358,084	2,385,659
Finance		
RAD refund interest	**279,742**	772,465
Other interest paid and revaluation of the ZRIL capital development loan	**500,058**	147,471
	779,800	919,936

Note 4: Cash and cash equivalents

	2025	2024
	$	$
Cash	**29,916,583**	18,600,477

4.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Note 5: Trade and other receivables

	2025	2024
	$	$
Current		
Receivables	**3,000**	(43,381)
GST Receivables	**109,209**	30,657
Accrued Income	**143,451**	2,666
Prepayments	**125,352**	23,975
	381,012	13,917

5.1 Recognition and measurement

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses measured at lifetime expected credit losses.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (e.g., diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Association has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Any impairment is recognised in profit or loss, less any provision for impairment.

Note 6: Inventory

	2025	2024
	$	$
Current		
Uniforms	**18,907**	16,778
Stock on hand - food	**11,377**	6,924
	30,284	23,702

Note 7: Property, Plant and Equipment

	2025	2024
	$	$
Land		
At fair value (independent valuation)	**22,395,000**	21,930,000
	22,395,000	21,930,000
Buildings - Aged Care Residential Buildings		
At fair value (independent valuation)	**121,948,193**	0
At cost	**0**	116,890,201
Less: Accumulated depreciation	**(7,443,937)**	(6,035,474)
	114,504,256	110,854,727
Buildings - Other		
At cost	**2,193,302**	2,193,302
Less: Accumulated depreciation	**(422,977)**	(379,275)
	1,770,325	1,814,027
Plant & equipment		
At cost	**1,427,241**	1,215,227
Less: Accumulated depreciation	**(700,376)**	(583,585)
	726,865	631,642
Motor vehicles		
At cost	**211,650**	211,650
Less: Accumulated depreciation	**(211,650)**	(211,650)
	0	0
Furniture and equipment		
At cost	**5,140,895**	5,138,115
Less: Accumulated depreciation	**(2,453,168)**	(1,957,355)
	2,687,727	3,180,760
Computer equipment		
At cost	**1,598,575**	1,577,085
Less: Accumulated depreciation	**(1,422,243)**	(1,128,928)
	176,332	448,157
Total Property, plant & equipment	**142,260,505**	138,859,313

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year.

	Carrying Value 30 June 2024	Additions / (Disposals)	Depreciation	Revaluation	Carrying Value 30 June 2025
Land	**21,930,000**	0	0	465,000	22,395,000
Buildings – Aged Residential Buildings	**110,854,727**	64,145	(1,408,463)	4,993,847	114,504,256
Buildings – Other	**1,814,027**	0	(43,702)	0	1,770,325
Plant & equipment	**631,642**	212,014	(116,791)	0	726,865
Furniture & equipment	**3,180,760**	2,780	(495,813)	0	2,687,727
Computer equipment	**448,157**	21,490	(293,315)	0	176,332
	138,859,313	**300,429**	**(2,358,084)**	**5,458,847**	**142,260,505**

Reconciliation of capital additions to cash flows from investing activities

	2025	2024
	$	$
Total creditor (capital) opening	**0**	3,642
Capital additions	**5,759,276**	749,392
Less non-cash		
Land revaluation	**(465,000)**	(380,000)
Building – Aged Care Residential Buildings - revaluation	**(4,993,847)**	0
(Profit/(Loss) of asset disposal		(71,120)
Trade creditor (capital) closing	**0**	0
Cash flows from investing activities	**300,429**	**301,914**

Leased land and building

The Association leases buildings to external parties with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

	Current (<1 year)	**Total**
2025		
Undiscounted annual lease payments	**44,200**	**44,200**
2024		
Undiscounted annual lease payments	39,200	39,200

7.1 Change in Accounting Policy

During the financial year, the Association elected to change its accounting policy for aged care residential buildings from the **cost model** to the **fair value measurement model** under AASB 13. This change was made to provide more **relevant and reliable information** about the carrying amount of the buildings, consistent with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.*

The change reflects the Board's assessment that the cost model no longer appropriately reflects the current value of the entity's aged care residential facilities, which are specialized assets subject to significant changes in construction costs and economic conditions.

This has resulted in the creation of two classes of buildings assets, namely Aged Care Residential Buildings and Other Buildings.

The revaluation model has been applied from 30 June 2025, in accordance with AASB 13 requirements. Comparative figures have not been restated.

7.2 Recognition and measurement

Assets are recognised when the Association becomes a party to the contractual provisions to the asset. This is the date the Association commits itself to either the purchase or sale of the asset (e.g. trade date accounting is adopted).

Each class of property, plant and equipment, with the exception of land and Aged Care Residential Buildings, are measured at historical cost less, where applicable, any accumulated depreciation. Historical cost includes all expenditure that is directly attributable to the acquisition of the item. Land and Aged Care Residential Buildings are carried at fair value. Refer to Note 20: Fair Value Measurements.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surplus.

7.3 Subsequent costs

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

7.4 Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over the useful lives of the assets to the Association commencing at the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

	Depreciation Rate	Residual Value
Class of fixed asset		
Buildings	2%	40%
Motor vehicles	22.5%	-
Plant & equipment and furniture & fittings	10%	-
Computer equipment	25%	-

7.5 Impairment review of non-financial assets

The residual values and useful lives of assets are reviewed and adjusted as needed at the end of each reporting period. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss in the period they arise. For revalued assets that are sold, any amounts in the revaluation reserve related to the asset are transferred to retained surplus.

No indicators of impairment were identified during the review.

7.6 Key estimates, assumptions and judgments

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based upon the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT assets.

The land was last independently valued in 2024 by Property Valuation & Advisory (WA) Pty Ltd, using fair value less costs of disposal. The Board performed an internal assessment as at 30 June 2025, resulting in a revaluation increment of $465,000. This amount has been recognised in the asset revaluation reserve.

Note 8: Trade and Other Payables

	2025	2024
	$	$
Current		
Trade payables	**1,683,801**	851,579
Sundry creditors and accruals	**245,879**	1,188,705
Income received in advance	**63,559**	52,447
	1,993,239	**2,092,731**

Financial liabilities at amortised cost classified as trade and other payables

	2025	2024
	$	$
Trade and other payables	**1,993,239**	2,092,731
Less other payables	**(309,438)**	(1,241,152)
Financial liabilities as trade and other payables	**1,683,801**	851,579

8.1 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Association prior to the financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

8.2 Recognition and measurement

They are recognised initially at their transaction price and subsequently measure at amortised cost using the effective interest method.

8.3 Income received in advance

Income received in advance represents various fees or subsidies received in cash for which the services have not been provided to the residents at the end of the reporting year.

Note 9: Provisions

	2025	2024
	$	$
Current		
Provision for annual leave	**2,708,360**	2,375,570
Provisions for long service leave	**451,029**	477,296
	3,159,389	2,852,866
Non-current		
Provisions for long service leave	**200,033**	46,117
	200,033	46,117
Analysis of total provisions		
Opening balance	**2,898,983**	2,253,298
Additional provisions raised during year	**3,602,071**	1,557,510
Amounts used	**(3,141,632)**	(911,825)
Closing balance		
	3,359,422	2,898,983

9.1 Recognition and measurement

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate for the expenditure required to settle the present obligation at the end of the reporting period.

The current liability for annual leave and long service leave is recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. These liabilities are expected to be settled wholly within 12 months after the end of the annual reporting period.

The non-current liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

Note 10: Borrowings

	2025	2024
	$	$
Current loan liability – ZRIL	**1,175,862**	1,181,354
Non-current loan liability – ZRIL	**11,331,983**	12,810,686
Total loan liability	**12,507,845**	13,992,040
Credit standby arrangements with banks at 30 June 2025		
Credit facility – overdraft	800,000	800,000
- Amount utilised	0	(379,792)
Line of credit	4,000,000	11,000,000
- Amount utilised	-	-
	4,800,000	11,420,208

10.1 Zero Real Interest Loan (ZRIL)

The Association has two Zero Real Interest Loan Agreements with the Commonwealth, dated 3 December 2012, and 8 May 2014 respectively. These loans, which were used to fund the redevelopment of the Association's two facilities, each have a term of 20 years. The first loan is expected to be repaid in full by November 2037, while the second is anticipated to be repaid by May 2039. Interest rates are variable and equal to the current Quarterly CPI rate.

10.2 Classification, recognition, measurement and derecognition

Borrowings are initially recognised at the amount drawn; net of transaction costs incurred.

Borrowings are subsequently measured at:

- amortised cost using the effective interest rate method; or
- fair value through profit or loss.

Borrowings measured at fair value through profit or loss if the borrowing is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

Refer to Note 20: Fair Value Measurements.

Borrowings are derecognised when it is extinguished (e.g., when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing borrowing for a new one with substantially modified terms, or a substantial modification to the terms of a borrowing, is treated as an extinguishment of the existing liability and recognition of a new borrowing.

The difference between the carrying amount of the borrowing derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

10.3 Covenants

The Facility Agreement contains financial and non-financial covenants. All covenants were tested and in compliance.

10.4 Assets pledged security

The bank facilities are secured by a first mortgage over the Associations freehold land and buildings. The terms of the first mortgage preclude the assets being sold or used as security for borrowings without the permission of the bank.

Note 11: Refundable Accommodation Deposits

	2025	2024
	$	$
Total resident liability	**148,180,147**	**135,528,832**

11.1 Refundable accommodation deposits (RADs)

RADs are payments made by residents upon admission to aged care homes. Residents can opt to pay either a full lump-sum RAD, a daily accommodation payment, or a combination of both.

RAD refunds are guaranteed by the Federal Government under the prudential standards legislation. Providers are required to have sufficient liquidity to ensure they can refund RAD balances as they fall due in the following 12 months.

11.2 Classification, recognition, measurement and derecognition

RADs are recorded at the principal amount minus any retention amounts and any deferred interest or fees. They are non-interest-bearing liabilities, with the net amount due being repayable on demand. The fair value of RADs is not less than the amount payable on demand.

RADs are classified as current liabilities since the Association does not have an unconditional right to defer settlements for more than twelve months. Historically, the average stay for a resident in an aged care facility is approximately 2 years. RADs are derecognised when the liability obligation is fulfilled.

Note 12: Financial Risk Management

	Note	2025	2024
		$	$
Financial assets at amortised cost:			
- cash and cash equivalents	4	29,916,583	18,600,477
- trade and other receivables	5	381,012	13,917
- inventory	6	30,284	23,702
Total financial assets		30,327,879	18,638,096
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	8	1,993,239	2,092,731
- borrowings		0	0
- accommodation bonds		148,180,147	135,528,832
Total financial liabilities at amortised cost		150,173,386	137,621,563
Financial liabilities at fair value through profit or loss			
- borrowings		13,210,550	13,992,040
Total financial liabilities at fair value through profit or loss		13,210,550	13,992,040
Total financial liabilities		**163,383,936**	151,613,603

12.1 Financial instruments

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and borrowings. The carrying amounts for each category of financial instruments, measured in accordance with AASB 9.

12.2 Risk

The Association has exposure to credit risk, liquidity risk and interest rate risk form the use of financial instruments.

This note provides information about the Association's exposure to each of these risks, their objectives, policies and processes of measuring and managing risk.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Association is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including funds on deposit.

The Association has policies in place to monitor and control receivables in arrears. Residential aged care residents undergo an assessment of assets and income.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due.

The Association mitigates this risk by maintaining adequate reserves in line with its liquidity risk policy and the Fees and Payments Principles 2014 (No. 2). Additionally, the Association ensures sufficient credit facilities are available as outlined in Note 10: Borrowings.

Interest rate risk
Interest rate risk is the risk that changes in interest rates will negatively impact the Association's financial performance or position. This risk arises from fluctuations in market interest rates that can affect the cost of borrowing or the returns on investments.

The Association regularly reviews and adjusts the financial strategy to ensure it remains effective in managing interest rate risk.

Note 13: Key management personnel remuneration

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly, including any director (whether executive or otherwise) of that Association, is considered key management personnel (KMP).

The members of the Board of Rosewood during the financial year were:

John Pirie (Chair)
Michael Hadfield
Fiona Barclay
Associate Professor Robyn Collins
Dr Nicholas Spendier
Neil Hackett

The totals of remuneration paid to members of the Board and key management personnel of the Association during the year are as follows:

	2025	2024
	$	$
KMP compensation	**1,274,699**	1,148,079

Note 14: Related party transactions

Related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no related party transactions during the financial year.

Note 15: Capital and Leasing Commitments

The Association has no capital expenditure and no non-capitalised operating lease commitments as at 30 June 2025.

Note 16: Events after the Reporting Period

The Members of the Board are not aware of any significant events since the end of the reporting period.

Note 17: Contingent Liabilities and Contingent Assets

The Association has no contingent liabilities and contingent assets at reporting date.

Note 18: Reserves

The asset revaluation reserve records the revaluations of non-current assets (land and residential aged care facility buildings).

Note 19: Segment Reporting

The approved provider delivers only residential aged care services, and this general-purpose financial report therefore relates only to such operations.

Note 20: Fair Value Measurements

The Association measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- borrowings at fair value through profit or loss; and
- freehold land, and
- residential aged care buildings.

The Association does not subsequently measure any assets or liabilities at fair value on a non-recurring basis.

Valuation techniques

The Association selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Association are consistent with one or more of the following valuation approaches:

- the market approach, which uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- the income approach, which converts estimated future cash flows or income and expenses into a single discounted present value; and
- the cost approach, which reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair values of land and building are determined based on a triennial valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee. In the intervening years, an internal management appraisal of land is undertaken using the same basis of measurement.

	Note	2025	2024
		$	$
Recurring fair value measurements			
Non-financial assets			
Freehold land [(i)]	7	**22,395,000**	21,930,000
Buildings [(ii)]		**114,504,256**	112,668,754
Financial liabilities			
Borrowings [(ii)]	10	**13,210,550**	13,992,040

(i) **Freehold Land**
The fair value of land is determined through an internal management appraisal undertaken in the current financial year. The methodology applied is consistent with that used by the external independent valuer in the prior financial year for comparable properties.

(ii) **Aged Care Residential Buildings**
The fair value of aged care residential buildings is based on an independent external valuation undertaken in FY24. This valuation was performed by an accredited external valuer and has been carried forward, with adjustments for relevant contingencies including age, condition, and location factors, to reflect current circumstances.

(iii) **Borrowings**
The fair value of borrowings is based on the present value of the outstanding amounts. The discount rate applied represents the difference between the prevailing commercial borrowing rate and CPI at the end of the financial year.

Note 21: Approved Aged Care Provider Details

Rosewood Care Group (Inc) (Provider ID: 4040003036) operates solely in Western Australia. Its principal activity is the provision of care and accommodation for older people including permanent and respite residential care.

Facility Name	Services NAPS ID	RACS ID
Rosewood Care Leederville	4622	7094
Rosewood Care West Perth	5410	7264